

## Primary Trend Indicator

Supply and demand data showing long-term health of the stock market



- Our PTI is in bull mode and its components are improving. (11.08.20)

## Short-Term Technicals

Technical data indicating short-term health of the market



- 3200 on the S&P500 is the line the world is watching. Have a plan, either way. (10.31.20)
- Selling pressure has abated and buy signals are coming in almost as fast as major lows of 2016, 2019 and 2020. (11.08.20)

## US Recession Watch

Health of the US economy



- Economic data rather unreliable given Central Bank Intervention.
- Consumer sectors still lagging but globally manufacturing has recovered to levels that preceded trade war fears in 2019. (11.08.20)

## Credit Markets

Measure of credit market strain



- Like everything today, Credit markets very bifurcated. Rolling defaults starting to pick up steam, but broad credit markets still supported by Central Bank buying. (10.09.20)

## Valuation/Sentiment

Greed vs. Fear



- Valuation based on earnings are useless for timing but can give indication for severity of corrections. (08.07.20)
- Current condition as per NDR Median P/E is 28.2. Overvalued. (10.31.20)

## Government Policy

Overall state of monetary and fiscal policy



- The economy and the stock market are effectively totally dependent on Monetary and Fiscal policy now. However, just like in the Japanese case after their 1989 bubble burst, that condition can last for longer than many think. (10.09.20)

## The Bottom Line:

The October sell off went as fast as it came. The Primary Trend of the stock market remains up, and monetary and fiscal policy remain dominant issues that should support stocks going forward. It's a bull market until proven otherwise. (11.08.20)

Equity Positioning: 85% Equity/10% (long/short)/ 5% Cash/Other



Last change: October 2, 2020 from Neutral to Good